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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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SUITE 1430
LOS ANGELES, CA 90067-3024

EXAMINER

RIoux, JAMES A

ART UNIT	PAPER NUMBER
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3694

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	04/03/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/088,742

Applicant(s)

NISHIMAKI, MASANOBU

Examiner

James Rioux

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 March 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☒ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☒ Certified copies of the priority documents have been received in Application No. 10/088,742.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1 through 15 have been examined in the patent application numbered 10/088,742 by Nishimaki (hereinafter referred to as the Application).

Priority

2. Acknowledgment is made of applicant's claim for priority under 35 U.S.C. 119(a)-(d) based upon an application filed in Japan and under the Patent Cooperation Treaty on 07/24/2000 and 8/11/2000, respectively. A claim for priority under 35 U.S.C. 119(a)-(d) cannot be based on said application, since the United States application was filed more than twelve months thereafter. See also MPEP 201.14(c).

Claim Objections

3. Claim 1 - 15 are objected to because of the following informalities: All claims must start out with the language "I claim." See MPEP 608.01 (j). Appropriate correction is required.

Claim Rejections - 35 USC § 112

4. Claims 1 – 15 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
5. The claims are generally narrative and indefinite, failing to conform with current U.S. practice. They appear to be a literal translation into English from a foreign document and are replete with grammatical and idiomatic errors.
6. For example, claims 6, 7, and 8 have indefinite language because all the claims refer to the phrase "object products" which were incorrectly translated from Japanese

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and which should have been translated to the phrase "products that are to be obtained."

Personal Interview with Steven Spar, Japanese Translator, U.S. Patent and Trademark Office (Mar. 21, 2007).

7. Additionally, claim 9 has indefinite language because the word "agencies" was incorrectly translated from Japanese and the word should have been translated to say "entities." Personal Interview with Steven Spar, Japanese Translator, U.S. Patent and Trademark Office (Mar. 21, 2007).

Objections

8. The translation of the original Japanese patent, JP 2000-222421 A by Masanobu Nishimaki, must be a literal translation and must be accompanied by a statement that the translation is accurate. MPEP 608.1. Correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

9. Claim 14 and 15 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

10. As per claim 14, the phrases "bundling" and "unbundling" is not definite because a person of ordinary skill in the art would be uncertain what "bundling" and "unbundling" means in the context of a "job" since it is unclear whether to the claim is to 'bundle' financial instruments or whether to 'unbundle' the instrument itself into its constituent

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components, i.e. the note and the mortgage. No where in the specification are the terms "bundling" and "unbundling" defined.

Double Patenting

11. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

12. A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

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13. Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

14. Claims 1 through 15 provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1 through 25 of copending Application No. 10/450993. Although the conflicting claims are not identical, they are not patentably distinct from each other because they both disclose an exchange transaction system for financial and/or related instruments, in which exchange transaction markets for financial instruments and/or quasi-financial instruments are created via computer networks and users can complete exchange transactions between and/or among themselves.

15. Also, claims 1 through 15 provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1 through 38 of copending Application No. 10/738310. Although the conflicting claims are not identical, they are not patentably distinct from each other because they both disclose an exchange transaction system for quasi-financial instruments and other products are created via at least one computer network and users can complete exchange transactions between and/or among themselves.

16. This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented. Please file the disclaimers for the above mentioned patents.

Claim Rejections - 35 USC § 102

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The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

17. Claims 1, 4, 9 - 11, and 14 rejected under 35 U.S.C. 102(a) as being anticipated by Levine et al., U.S. Patent No. 6,233,566 B1 (hereinafter **Levine**).

18. As to Claim 1, Levine teaches a disintermediated [sic] financial transaction system,

- a. wherein one or more transaction markets of one or more financial instruments are thereby created (See Levine; Column 7, Lines 55 through 63 and Column 5, Lines 55 through 70.)
- b. via at least one communication line on one or more computer networks (See Levine; Column 7, Lines 30 through 46 and Column 9-10, Lines 61 through 7.);
- c. transaction intermediations by at least one of conventional banks and conventional securities companies are thereby eliminated; and end customers such as selected from the group consisting of end fund capital managers, end fund capital raisers and end fund capital transactors [sic] can thereby complete financial transactions directly between themselves on a matching basis (See Levine; Column 21, Lines 4 through 14 and Column 11, Lines 25 through 50).

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19. As to Claim 4, Levine teaches wherein said financial transaction is a secondary offering [interpreted to mean secondary distribution of financial products in the market] (See Levine; Claim 1 and Claim 18).

20. As to Claim 9, Levine teaches wherein any one or more agencies selected from the group consisting of capital management agencies, capital raising agencies, secondary offering agencies and capital transaction agencies can thereby participate in said financial transactions [where agencies are interpreted to mean entities and entities are interpreted to mean capital managers such as mutual fund managers, money managers, portfolio managers, or private investment counsel] (See Levine; Column 21, Lines 4 through 15 and Column 11, Lines 40 through 50).

21. As to Claim 10, it is rejected because that claim repeats the same language as claim 9 with the exception of a "evaluator" being substituted for the term "agency." Therefore, claim 10 is rejected under the same rationale as claim 9 described above [where evaluator are interpreted to mean capital managers such as mutual fund managers, money managers, portfolio managers, or private investment counsel] (See Levine; Column 21 , Lines 4 through 15 and Column 11 , Lines 40 through 50).

22. As to Claim 11, Levine teaches wherein any one or more data providers selected from the group consisting of providers of capital management reference data, providers of capital raising proposal data and providers of capital transaction proposal data can thereby participate in said financial transactions [where data providers are interpreted to mean new services, financial data, rumors as indicated by the definitions

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provided in the specification] (See Levine; Column 6 , Lines 4 through 10 and Fig. 6, reference number 612) (See also Silverman; Column 11, Lines 35 through 40).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

23. Claims 2, 3, 5, 6, 7, 8, 13, and 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levine in view of Lawrence, U.S. Patent No. 5,915,209 (hereinafter **Lawrence**).

24. As to Claim 2, Levine teaches or discloses wherein said financial transaction [interpreted to mean the trade or exchange of bonds, equity, loans, futures, etc. in accordance with the meaning given in the specification] is capital raising, i.e. equity interests, loans, and mortgages. See Levine; Column 9, Lines 1 through 5 and Column 7, Lines 30 through 46.

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25. However, Levine does not teach or disclose an “bonds” or “futures” as proposed in the Application. On the other hand, Lawrence teaches or discloses that capital raising [interpreted to mean bonds and other securities such as futures]. See Lawrence; Column 6, Lines 5 through 20 and Column 4, Lines 61 through 70 [bonds]. See also Levine; Column 15, Lines 60 through 70 [futures].

26. The prior art of Levine and Lawrence are “analogous” or “pertinent” because both Levine and Lawrence are in the same field of endeavor as the patent application because Levine and Lawrence are in the field of finance.

27. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify Levine to include a bonds in view of Lawrence because Lawrence adds a whole new set of financial products or securities to be added to the markets in Levine since the need for “a new mew means for enhanced solicitation of bids from large numbers of potential buyers” as stated in of Lawrence. See Lawrence; Column 3, Lines 10 through 11. It would have been obvious to one skilled in the art to add the additional type of securities traded in Lawrence to add to the financial product provided in the system of Levine because Levine would need or want additional products for more exchanges and commissions for the system in Levine.

28. As to Claim 3, it is rejected under 103 as being anticipated by Levine in view of Lawrence because that claim repeats the same language as claim 2 with the exception of the term “management” being substituted for the term “raising” [interpreted to mean the trade or exchange of bonds, equity, loans, futures, etc. in accordance with the meaning given in the specification]. Therefore, claim 3 is rejected under the same

rationale as claim 2 described above. See Levine; Column 9, Lines 1 through 5 and Column 7, Lines 30 through 46. See also Levine; Column 15, Lines 60 through 70 [futures].

29. As to Claim 5, it is rejected under 103 as being anticipated by Levine in view of Lawrence because that claim repeats the same language as claim 2 with the exception of a “capital transaction” substituted for the term “raising” [interpreted to mean the trade or exchange of bonds, equity, loans, futures, etc. in accordance with the meaning given in the specification]. Therefore, claim 5 is rejected under the same rationale as claim 2 described above. See Levine; Column 5, Lines 55 through 70 and Column 6, Lines 1 through 10. See also Levine; Column 15, Lines 60 through 70 [futures].

30. As to Claim 6, Levine **also** teaches or discloses wherein object products of said financial transactions are any one or more capital raising products selected from the group consisting of borrowings, bonds, equities and commercial paper [interpreted to mean the trade or exchange of bonds, equity, loans, etc. in accordance with the meaning given in the specification]. See Levine; Column 7, Lines 30 through 55 and Table 3. The same analysis of pertinent or analogous art and motivation to combine applies as that of claim 2 described above.

31. As to Claim 7, it is rejected under 103 as being anticipated by Levine in view of Lawrence because that claim repeats the same language as claim 6 with the exception of a “capital management products” being substituted for the term “capital raising product” [interpreted to mean the trade or exchange of bonds, equity, loans, futures, etc. in accordance with the meaning given in the specification]. Therefore, claim 7 is

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rejected under the same rationale as claim 6 described above. See Levine; Column 7 , Lines 30 through 55 and Table 3. See also Levine; Column 15, Lines 60 through 70 [futures].

32. As to Claim 8, Levine **also** teaches or discloses wherein object products of said financial transactions are any one or more capital transaction product [interpreted to mean the trade or exchange of futures and derivative in accordance with the meaning given in the specification]. See Levine; Column 15, Lines 60 through 70. The same analysis of pertinent or analogous art and motivation to combine applies as that of claim 2 described above.

33. As to Claim 13, Levine teaches or discloses wherein said financial transaction [interpreted to mean the trade or exchange of bonds, equity, loans, etc. in accordance with the meaning given in the specification] is capital raising, i.e. equity interests, loans, and mortgages. See Levine; Column 9, Lines 1 through 5 and Column 7, Lines 30 through 46. However, Levine does not teach or disclose wherein settlement and administration functions after completion of a financial transaction selected from the group of functions consisting of transaction confirmation, signing of a contract, assignment of a contract, funds settlement, securities settlement, and inspection of legal and regulatory compliance are thereby concentrated.

34. On the other hand, Lawrence teaches or discloses settlement and administration function. See Lawrence; Column 13, Lines 60 through 70. The same analysis of pertinent or analogous art and motivation to combine applies as that of claim 2 described above.

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35. As to Claim 15, Claims 1 and 2 are in parallel with claim 15 and are rejected for at least the same reason as set forth above.

36. Claims 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Lawrence as applied to claim 1 above, and further in view of eTrade.

37. As to Claim 12, Levine **also** teaches or discloses financial instruments can thereby be transacted [interpreted to mean the trade or exchange of futures and derivative in accordance with the meaning given in the specification]. See Levine; Column 7, Lines 30 through 46 and Column 5, Lines 55 through 70. See also Lawrence; Column 4, Lines 59 through 70 and Column 3, Lines 35 through 40.

38. However, Levine does not teach or disclose "24 hours a day" trading as proposed in the Application. On the other hand, E*Trade teaches or discloses that "After Hours Trading" available anywhere with an internet connection. See E*TRADE, After Hours Trading, 2000, <http://web.archive.org/web/20000621204404/www.etrade.com>, p1 (hereinafter **E*Trade**).

39. The prior art of Levine and E*Trade are "analogous" or "pertinent" because both Levine and E*Trade are in the same field of endeavor as the patent application because Levine and E*Trade are in the field of finance, i.e. securities trading.

40. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify Levine to include after hours trading in view of E*Trade because E*Trade would allow expanded hours of commerce since the need to avoid "factors [that] can effect the opening price" as stated in of E*Trade. See E*TRADE, After Hours Trading, 2000,

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<http://web.archive.org/web/20000621204404/www.etrade.com>, p 3. It would have been obvious to one skilled in the art to use the improved access in E*Trade to add hours of access to the system of Levine because Levine would need or want the feature of more access hours for customer.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Rioux whose telephone number is (571) 272-7326. The examiner can normally be reached on Monday through Friday from 8:30 AM to 5:00 PM..

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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